

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Cheryl A. Salwa
System ID #0195451

Enforcement Case No. 06-4910

Respondent
_____ /

Issued and entered
on Frances K. Wallace, 2007
Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, Cheryl A. Salwa ("Respondent"), System ID #0195451, was a licensed resident insurance producer authorized to transact the business of insurance in the State of Michigan with qualifications in accident and health, life, property and casualty.
2. As a licensed resident producer, Respondent knew or had reason to know that Section 1207(1) of the Michigan Insurance Code ("Code") provides that an agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.
3. As a licensed resident producer, Respondent knew or had reason to know that Section 1239(1)(d) of the Code provides that the commissioner may place on probation, suspend, and revoke an insurance producer's license for improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
4. As a licensed resident producer, Respondent knew or had reason to know that Section 1239(1)(h) of the Code provides that the commissioner may place on probation, suspend,

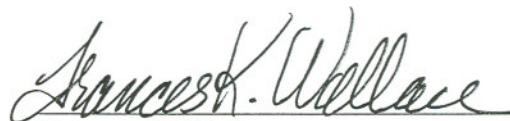
and revoke an insurance producer's license for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

5. On or about October 2, 2006, the Office of Financial and Insurance Services (OFIS) received a letter of complaint from [REDACTED], Audit Consultant, State Farm Insurance Companies. Therein, [REDACTED] indicated that the Respondent admitted to stealing business account checks and depositing them into the premium fund account of the Respondents' employer.
6. On February 1, 2006, Respondent issued a signed statement to State Farm Insurance Company that Respondent did not steal the checks missing from the company, nor could she explain why there was money missing.
7. On February 7, 2006, Respondent issued an amendment to the February 1, 2006 statement to State Farm Insurance Company admitting to stealing the money from her agency premium fund account and using the business account checks to replace the money stolen from the premium fund account. Respondent stated she stole \$3,585.25.
8. Subsequently, the Respondent issued two money orders totaling \$3,585.25 to the agency.
9. Respondent violated Section 1207(1) of the Code by failing to act as a fiduciary for money received or held in her capacity as an agent.
10. Respondent violated Section 1239(1)(d) and (h) of the Code by improperly withholding, misappropriated, or converted money or property received in the course of doing insurance business and using fraudulent or dishonest practice, untrustworthiness, or fiduciary irresponsibility in the conduct of business in the State of Michigan.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Sections 1207 and 1239(1)(d) and (h) of the Michigan Insurance Code.
2. Respondent's license and authority are hereby **REVOKED**.



Frances K. Wallace
Chief Deputy Commissioner